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SUBJECT: VIEW FROM NAJAF: GOVERNOR ZURFI PROVIDES UPDATE ON
SECURITY AND INVESTMENT

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Classified By: PRT Najaf Team Leader Angus Simmons

¶1. (C/NF) Summary. On December 10, provincial governor Adnan Zurfi welcomed Multi-National Division-South (MND-S) Major General Nash to Najaf. Governor Zurfi announced the arrests of suspects related to recent attacks on a PRT mission and IED detonations near Forward Operating Base (FOB) Endeavor. Given the generally permissive environment, Zurfi announced the launching of 27 major commercial developments valued at over USD one billion in Najaf. In more good news for Najaf, the governor also told Nash the province would be represented in bidding for oil parcels in December. End Summary.

Progress on arresting suspects in recent attacks

¶2. (C/NF) At the December 10 meeting with General Nash, Najaf Governor Zurfi explained that four Jaysh al Mahdi (JAM) members possessing US-made sniper rifles and pistols had been arrested recently in connection with to the November 2 sniper attack on a PRT mission near the Najaf Chamber of Commerce. Two other JAM members confessed to the November 9 and 10 IED attacks targeting US forces which killed three Iraqi civilians near FOB Endeavor, home to the Najaf PRT.

¶3. (C/NF) Continuing on security, Zurfi said he had met the Iranian Counselor in his office. He asked the Iranian diplomat to discontinue any operations against US forces in Najaf. Zurfi claimed he said that if Iran did not respect his wishes, he would prevent the opening of a new Iranian consulate in Najaf and would arrest all Iranian operatives in Najaf. He said that any action against US or Iraqi forces was a &red-line. He also claimed he had learned the suspects were paid USD 10,000 to conduct the IED attacks against US forces last month. Zurfi said he told the Iranian that the Iraqis &can afford to stage attacks against Iran if (Iran) wants to escalate this matter.8 Zurfi opined that this was the kind of straight talk that the Iranians need to hear. Zurfi went on to say that on December 9, the Iraqi Police had captured two additional IEDs from pro-Iranian forces and local officials paid two million Iraqi dinars for their reward.

Tourism and General Economy continue to grow

¶4. (C/NF) Zurfi said that Iranian airlines will soon increase air service to two flights per day into Najaf International Airport (NIA). He said that NIA business is picking up, but not enough to retain the current airport manager. He hoped to have an announcement on a new manager in the next 60 days.

Zurfi explained that he has asked the Ministry of Finance for a capital infusion of USD 30 million to allow for the necessary growth including a new taxiway and additional apron parking among other improvements. (COMMENT. The expanded apron is essential to increase airport use, and with the taxiway, represents an approximately USD 13 to 15 million expenditure. END COMMENT.) In addition to closely following

developments at the airport, Zurfi indicated that his office is coordinating on 27 new major commercial developments valued at over USD one billion in Najaf. Further, Najaf will be among the parcels out for bid in the current round of bidding for oil rights scheduled to be offered on December 11. Najaf is thought to have large, undeveloped oil reserves to the north and to the northeast of the city.

STILL ADVOCATING FOR REMOVAL OF POLICE CHIEF

15. (C/NF) When asked about the relationship with the local Iraqi police chief, MS Kareem,, Zurfi explained to Major General Nash that Kareem,s rank is frozen at its current level and that Zurfi has pulled the intel function from the police into his own office. He claimed that Kareem was part of the Badr organization, and that he would ultimately like to replace him.

REACHING OUT TO THE PRT

16. (C/NF) Zurfi asked the PRT to focus its efforts and development assistance on health care. Equipment for heart, cancer and eye hospitals and treatment centers is in particular demand. Zurfi also expressed the need to develop English learning centers in Najaf, signaled an interest in a program for the Women,s Teaching College in Najaf, and was keen to enhance English language libraries at each facility in Najaf that teaches English.

The Road to Elections in Najaf

17. (C/NF) Zurfi explained that he was not very concerned about Najaf,s preparations for elections. He said he thought the process would follow along the same lines as the provincial elections in January 2009. In reflecting on recent suicide bombings in Baghdad, the governor expressed concerns

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about Baathists coming south to inflict similar damage in Najaf. When asked about possibility of candidate assassinations, Zurfi confirmed this as a possibility, saying the Baathists wanted to be atop, rather than part of, Iraq,s political process. He thought Iran,s influence in the election would be minimal.

COMMENT: GOVERNOR CONTINUES TO CAPITALIZE ON STRENGTHS

18. (C/NF) Governor Zurfi continues to capitalize on his strengths, relying on his background in security. To his credit, he leads on the platform of security and rule of law.

Zurfi is leaning forward looking to replace USG funded reconstruction with private sector growth. Lately we have seen a large number of Chevy sedans on the Najaf roads as taxis. They are manufactured in Malaysia and imported by a U.S. Korean-Iraqi venture which makes financing available to Najaf taxi drivers over five years. Zurfi reiterated his interest in seeing the US establish a consulate in Najaf, which he said was supported by the Najaf populous. The province is beginning to see related benefits with increased tourism, growth in travel in and out of NIA, and with increased and diversified private sector investment.

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